

premises owners to convert to non-RBOC and GTE phones so they can retain the profitable commissions available under presubscription. To eliminate such incentives, the Commission must mandate billed party preference for all phones and must prohibit companies from programming phones to override billed party preference. Finally, because the type of phone involved is irrelevant to the processing of calls under billed party preference, the same technology could be applied to non-payphones. Thus, there should be no significant increased costs from universal billed party preference service.²⁸

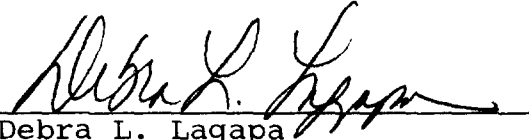
CONCLUSION

For the foregoing reasons, MasterCard and VISA respectfully request that the Commission implement billed party preference and mandate that it be deployed in a manner

28 Many alternative operator service providers have argued that they will suffer significant losses under billed party preference. Pursuant to the Commission's recent Order, however, these companies are compensated by the IXCs for their access and other service functions. Policies and Rules Concerning Operator Service Access and Pay Telephone Compensation, Second Report and Order, CC Docket No. 91-35 (released May 8, 1992).

that will allow consumers access to a wide variety of
payment options for all 0+ calls.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Debra L. Lagapa", is written over a horizontal line.

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Attorneys for MasterCard
International Incorporated and
VISA U.S.A., Inc.

July 7, 1992

CERTIFICATE OF SERVICE

I, Mary O'Connell, do hereby certify that a true and correct copy of the foregoing document was served this 7th day of July, 1992 by hand delivery to the persons below:

Chairman Alfred C. Sikes
Federal Communications
Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

Commissioner Ervin S. Duggan
Federal Communications
Commission
1919 M Street, N.W.
Room 832
Washington, D.C. 20554

Commissioner James H. Quello
Federal Communications
Commission
1919 M Street, N.W.
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Washington, D.C. 20554

Robert L. Pettit
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Commission
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Commission
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Washington, D.C. 20554

Cheryl A. Tritt
Chief of Common Carrier Bureau
Federal Communications
Commission
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Commissioner Andrew C. Barrett
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Commission
1919 M Street, N.W.
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Gary Phillips
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Common Carrier Bureau
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1919 M Street, N.W.
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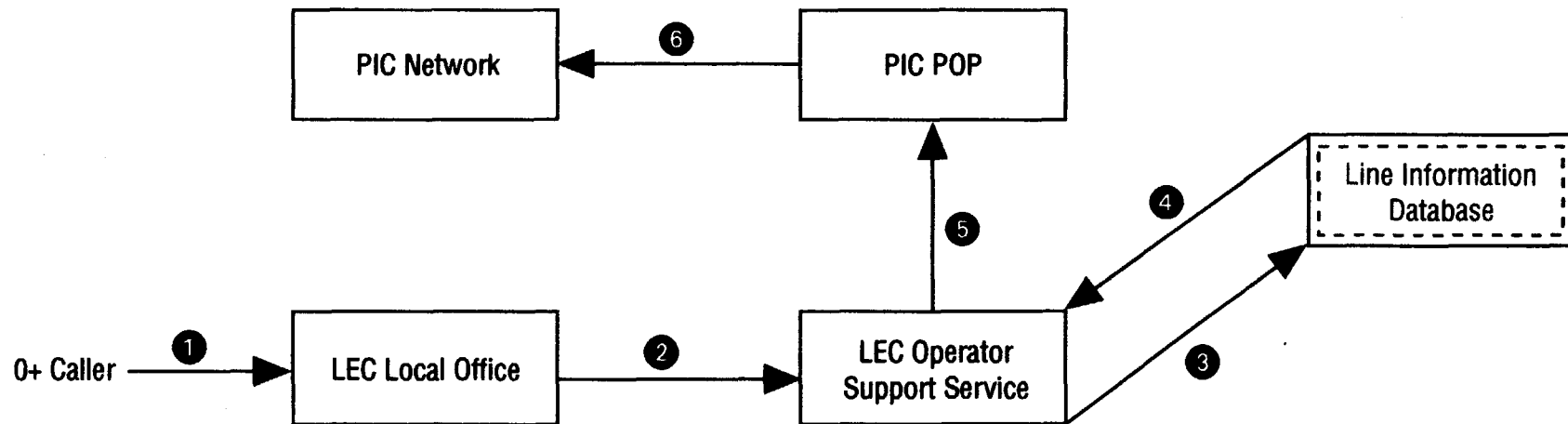
Office of the Secretary
Federal Communications
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1919 M Street, N.W.
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Mary K. O'Connell

Appendix A

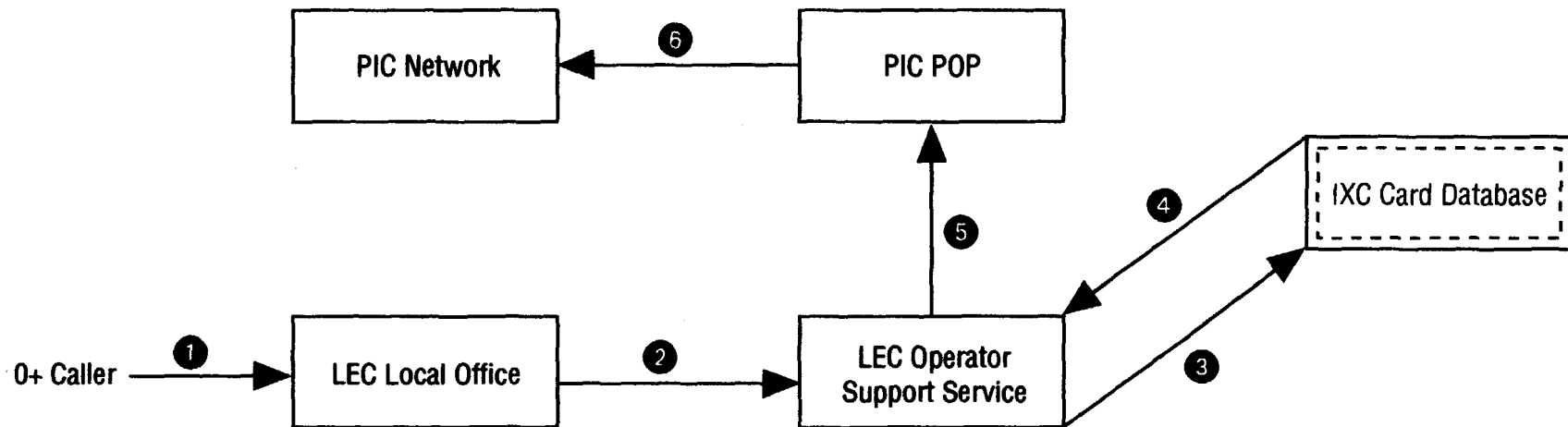
Processing of LEC-Issued Calling Cards



- ① Customer dials 0+ interLATA call from any phone.
- ② LEC end office routes call to LEC Operator Support Service ("OSS").
- ③ LEC OSS prompts caller to supply billing method and calling card number. OSS determines that card has been issued by a LEC and launches a query to the appropriate Line Information Database ("LIDB") for validation and a determination of billed party's preferred interexchange carrier ("PIC").
- ④ LIDB returns validation and PIC information.
- ⑤ LEC OSS processes LIDB response and routes the call to the billed party's PIC, along with billing information.
- ⑥ PIC carries call.

Appendix B

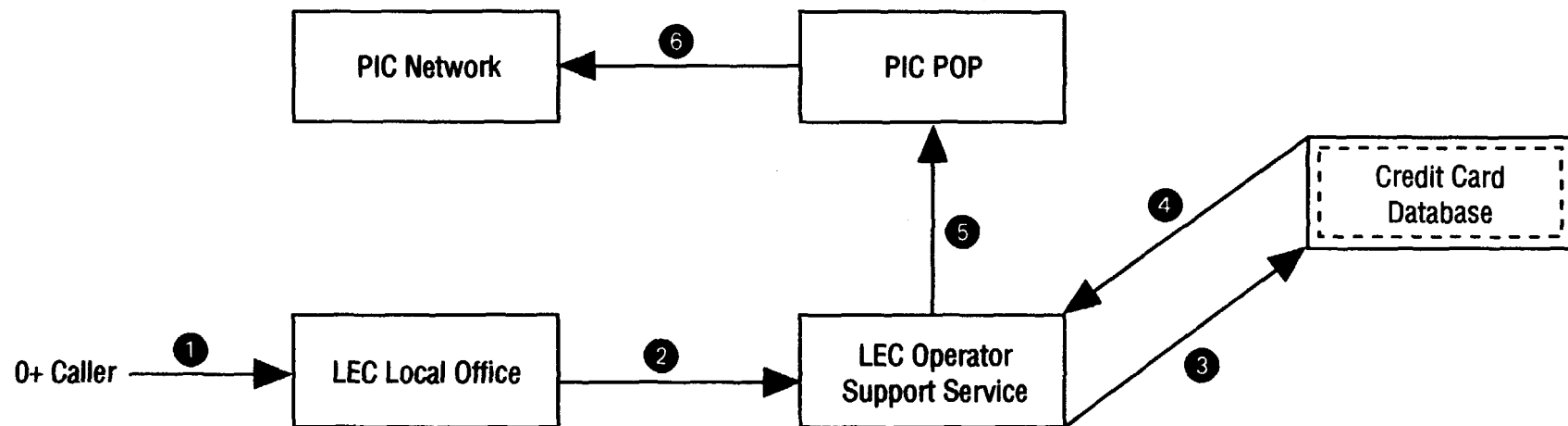
Processing of IXC-Issued Calling Card



- ① Customer dials 0+ interLATA call from any phone.
- ② LEC end office routes call to LEC Operator Support Service ("OSS").
- ③ LEC OSS prompts caller to supply billing method and calling card number. OSS determines that card has been issued by an IXC and launches a query to the appropriate IXC database for validation and a determination of billed party's preferred interexchange carrier ("PIC").
- ④ IXC database returns validation and PIC information.
- ⑤ LEC OSS processes IXC response and routes the call to the billed party's PIC, along with billing information.
- ⑥ PIC carries call.

Appendix C

Processing of Commercial Credit Card



- ① Customer dials 0+ interLATA call from any phone.
- ② LEC end office routes call to LEC Operator Support Service ("OSS").
- ③ LEC OSS prompts caller to supply billing method and calling card number. OSS determines that card has been issued by a credit card company and launches a query to the appropriate credit card database for validation information and a determination of billed party's preferred interexchange carrier ("PIC").
- ④ Credit card database returns validation and PIC information.
- ⑤ LEC OSS processes credit card database response and routes the call to the billed party's PIC, along with billing information.
- ⑥ PIC carries call.